

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Investigation of)
HAWAIIAN ELECTRIC COMPANY, INC.;)
HAWAII ELECTRIC LIGHT COMPANY, INC.;)
and MAUI ELECTRIC COMPANY, LIMITED)
Related to the Major Power Outages of)
October 15-16, 2006.)

DOCKET NO. 2006-0431

ORDER NO. 23155

Filed Dec. 21, 2006
At 11 o'clock A.M.

Karen Higrest.
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Investigation of)
HAWAIIAN ELECTRIC COMPANY, INC.;)
HAWAII ELECTRIC LIGHT COMPANY, INC.;)
and MAUI ELECTRIC COMPANY, LIMITED)
Related to the Major Power Outages of)
October 15-16, 2006.)
_____)

Docket No. 2006-0431

Order No. 23155

ORDER

By this Order, the commission approves with a modification the proposed Stipulated Procedural Order submitted by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"); HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"); MAUI ELECTRIC COMPANY, LIMITED ("MECO") (collectively, the "HECO Companies")¹; and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), filed on December 8, 2006.

I.

Stipulated Procedural Order (as Modified)

By Order No. 22986, filed on October 27, 2006 ("Order No. 22986"), the commission initiated this investigation to examine the HECO Companies' conduct related to the Power Outages

¹HECO, HELCO, and MECO are Hawaii corporations and public utilities as defined by Hawaii Revised Statutes ("HRS") § 269-1 and, thus, are regulated by the commission under Chapter 269, HRS. The HECO Companies are engaged in the production, purchase, transmission, distribution, and sale of electricity on the islands of Oahu, Hawaii, Maui, Molokai, and Lanai.

of October 15-16, 2006.² In that order, the commission named HECO, HELCO, MECO, and the Consumer Advocate³ as parties to this proceeding--hereafter collectively referred to as the "Parties." Among other things, the commission ordered the Parties to submit for the commission's review and approval a stipulated procedural order within forty (45) days of the date of Order No. 22986. The Parties filed their proposed Stipulated Procedural Order on December 8, 2006, pursuant to Order No. 22986.

Having reviewed the Parties' proposal, the commission will approve their proposed Stipulated Procedural Order to govern the proceedings in this docket, with a modification. Specifically, the commission will amend Section II, Schedule of Proceedings, to read as follows:

The parties shall adhere to the schedule of proceedings set forth in the Stipulated Regulatory Schedule attached hereto as Exhibit "A." Notwithstanding the above, the parties may amend the Stipulated Regulatory Schedule as may be agreed in writing from time to time; provided that the requesting party or parties receive the commission's approval in accordance with Hawaii Administrative Rules ("HAR") § 6-61-23, to the extent applicable. However, the intent of the parties in agreeing to a schedule at this time is to promote the efficient and

²This investigative docket was initiated pursuant to HRS §§ 269-7 and 269-15; and Hawaii Administrative Rules ("HAR") § 6-61-71.

³Pursuant to HRS § 269-51, the Consumer Advocate is statutorily mandated to represent, protect and advance the interests of all consumers of utility service and is an ex officio party in all proceedings before the commission. See also HAR § 6-61-62.

cost-effective allocation of resources. Therefore, any changes to the schedule should be proposed only when there is an urgency or substantial competing need that cannot be reasonably accommodated without a change.

II.

Orders

THE COMMISSION ORDERS:

1. The Parties' proposed Stipulated Procedural Order submitted on December 8, 2006, attached as Exhibit 1 to this Order, is approved as modified herein to govern the proceedings in this docket.

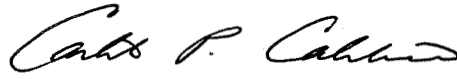
2. Section II, Schedule of Proceedings, is modified to read as follows:

The parties shall adhere to the schedule of proceedings set forth in the Stipulated Regulatory Schedule attached hereto as Exhibit "A." Notwithstanding the above, the parties may amend the Stipulated Regulatory Schedule as may be agreed in writing from time to time; provided that the requesting party or parties receive the commission's approval in accordance with Hawaii Administrative Rules ("HAR") § 6-61-23, to the extent applicable. However, the intent of the parties in agreeing to a schedule at this time is to promote the efficient and cost-effective allocation of resources. Therefore, any changes to the schedule should be proposed only when there is an urgency or substantial competing need that cannot be reasonably accommodated without a change.

DONE at Honolulu, Hawaii

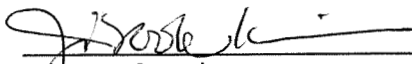
DEC 21 2006

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chalirman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel
06-0431.ac

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
MAUI ELECTRIC COMPANY, LIMITED)

Docket No. 2006-0431

Related to the Major Power Outages of)
October 15-16, 2006.)
_____)

PUBLIC UTILITIES
COMMISSION

2006 DEC - 8 P 4: 20

FILED

STIPULATED PROCEDURAL ORDER NO. _____

Filed _____, 2006

At _____ o'clock _____.M.

Chief Clerk of the Commission


BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.)	Docket No. 2006-0431
HAWAII ELECTRIC LIGHT COMPANY, INC.)	
MAUI ELECTRIC COMPANY, LIMITED)	
)	
Related to the Major Power Outages of)	
October 15-16, 2006.)	
_____)	


STIPULATED PROCEDURAL ORDER

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs hereby stipulate that the attached Stipulated Procedural Order is mutually acceptable to each respective party.

DATED: Honolulu, Hawaii, December 8, 2006.



JON S. ITOMURA
LANE H. TSUCHIYAMA
Attorneys for
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS



CRAIG I. NAKANISHI
SHAH N BENTO
Attorneys for
HAWAIIAN ELECTRIC COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED
HAWAII ELECTRIC LIGHT COMPANY,
INC.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.)	Docket No. 2006-0431
HAWAII ELECTRIC LIGHT COMPANY, INC.)	
MAUI ELECTRIC COMPANY, LIMITED)	
)	
Related to the Major Power Outages of)	
October 15-16, 2006.)	
)	

STIPULATED PROCEDURAL ORDER

By Order No. 22986, filed October 27, 2006, the Commission opened an investigative proceeding to examine the major power outages that occurred on the island of Oahu, Hawaii and Maui on October 15-16, 2006 ("Power Outages") that involved Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO") (collectively referred to herein as the "HECO Companies").

In Order No. 22986, the HECO Companies and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate") were made parties to the investigative proceeding.

On November 8, 2006, Life of the Land filed a Motion to Intervene in the investigative proceeding. On November 16, 2006, the HECO Companies submitted a Memorandum in Opposition to Motion to Intervene of Life of the Land. By Order No. 23097, filed December 1, 2006, the Commission denied Life of the Land's Motion to Intervene.

By Order No. 22986, the Commission directed the HECO Companies and the Consumer Advocate to submit a stipulated prehearing (or procedural) schedule for the Commission's

review and approval within forty-five (45) days from the date of Order No. 22986 (by December 11, 2006).

The HECO Companies and the Consumer Advocate have reached agreement on the procedural matters and submit this Stipulated Procedural Order which is acceptable to both parties.

ACCORDINGLY, IT IS ORDERED that the following Statement of the Issues, Schedule of Proceedings, and procedures shall be utilized in this docket.

I. STATEMENT OF THE ISSUES

The issues in this case are:

1. Aside from the earthquake, are there any underlying causes that contributed or may have contributed to the Power Outages?
2. Were the activities and performances of the HECO Companies prior to and during the Power Outages reasonable and in the public interest? Specifically, were the power restoration processes and communication regarding the outages reasonable?
3. Could the island-wide Power Outages on Oahu and Maui have been avoided? What are the necessary steps to minimize and improve the response to such occurrences in the future?
4. What penalties, if any, should be imposed on the HECO Companies?

II. SCHEDULE OF PROCEEDINGS

The parties shall adhere to the schedule of proceedings set forth in the Stipulated Regulatory Schedule attached hereto as Exhibit "A".

Notwithstanding anything to the contrary contained herein, the parties shall have the right to amend the Stipulated Regulatory Schedule as may be mutually agreed to by the parties in writing from time to time. Such mutual agreement to amend the Stipulated Regulatory Schedule shall be set forth in and by letter filed with the Commission and the parties may mutually agree to revise any scheduled matter set forth therein except for the date of the Evidentiary Hearing, if the Commission determines that such hearing is necessary. Such letter shall constitute an amendment to this Stipulated Procedural Order upon filing with the Commission unless otherwise ordered by the Commission.

The intent of the parties in agreeing to a schedule at this time is to promote the efficient and cost-effective allocation of resources. Therefore, any changes to the schedule should be proposed only when there is an urgency or substantial competing need that cannot be reasonably accommodated without a change.

III. MISCELLANEOUS MATTERS TO FACILITATE AND EXPEDITE THE ORDERLY CONDUCT OF THESE PROCEEDINGS

A. Requests for Information

A party to this proceeding may submit information requests to another party within the time schedule specified in this Stipulated Procedural Order. To the extent practical, the HECO Companies and the Consumer Advocate will cooperate (1) by exchanging information requests and responses as they become available, and (2) by resolving questions regarding information requests and responses informally to attempt to work out problems with respect to understanding the scope or meaning of information requests, or with respect to the availability of information. If a party is unable to provide the information requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The parties shall then endeavor to

agree upon a later date for submission of the requested information. If the parties are unable to agree, the responding party may seek approval for the late submission from the Commission upon a showing of good cause. It is then within the Commission's discretion to approve or disapprove such late filings and take any additional action that may be appropriate, such as extending the date for the party to respond.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials (e.g., documents over 50 pages), the documents or materials may be made available for reasonable inspection and copying at a mutually agreeable designated location and time. In the event such information is available on computer diskette or other readily usable electronic medium, the party responding to the information request shall make the diskette or such electronic medium available to the other parties and the Commission. Subject to objections that may be raised and to the extent practicable, the electronic files for spreadsheets will contain all formulae intact, and will not be entirely converted to values prior to submission.

A party shall not be required, in a response to an information request, to provide data that is/are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part B, infra. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document.¹ In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

¹ As practical, each party will cooperate in making available documents that are already on file with the Commission or otherwise part of the public record and in reproducing (at reasonable charges), such public record documents as well as voluminous material referenced by such parties, designated by the requesting parties and/or making available one copy of the designated documents for loan for a reasonable period of

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information were disclosed); and (3) state whether the party is willing to provide the confidential information to some or all representatives of the party pursuant to a protective order governing this docket.

A party seeking production of documents notwithstanding a party's claim of confidentiality, may file a motion to compel production with the Commission.

The responses of each party to information requests shall adhere to a uniform system of numbering agreed upon by the parties. For example, the first information request submitted by the Consumer Advocate in this docket shall be referred to and designated as "CA-IR-1," and a response to this information request shall be referred to and designated as "Response to CA-IR-1."

Each response shall be provided on a separate page and shall recite the entire question asked and set forth the response and/or reference the attached responsive document.

time to be reproduced by the requesting party.

Generally, exhibits should include appropriate footnotes, or narratives inserted in the related testimony, setting forth the sources of the information used and explaining the methods employed in making statistical compilations or estimates.

B. Matters of Public Record

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that the HECO Companies have filed with the Commission, published decisions of this or other Commissions, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to electric utility matters, and specified parts of the record in previous Commission dockets shall be admissible in this proceeding without the necessity of reproducing each document; provided that the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the Commission and the parties; and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document. The Commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

From time to time, the parties may enter into stipulations that such documents, or any portion of such documents, may be introduced into evidence in this case.

C. Copies of Testimony, Exhibits and Information Requests

1. Copies of Filings, Information Requests, Responses to Information Requests, Statement of Position:

Commission	Original + 8 copies
HECO Companies	3 copies
Consumer Advocate	3 copies

2. All pleadings, briefs and other documents required to be filed with the Commission shall comply with the formatting requirements prescribed pursuant to Chapter 61, Subchapter 2, Section 6-61-16 of the Commission's Rules of Practice and Procedure and shall be filed at the office of the Commission in Honolulu within the time limit prescribed pursuant to Chapter 61, Subchapter 2, Section 6-61-15 of the Commission's Rules of Practice and Procedure.

3. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or United States mail (first class, postage prepaid). In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via diskette, CD or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97, Word 2000 or Word 2003 as the standard programming format for filings in this case. However, if workpapers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into an electronic format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000/Word 2003 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via diskette, CD or e-mail, unless otherwise agreed to by such party, the same number of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or United States mail (first class, postage prepaid) as provided above.

D. Communications

Chapter 61, Subchapter 3, Section 6-61-29 of the Commission's Rules of Practice and Procedure concerning ex parte communications is applicable to any communications between a party and the Commission. However, the parties may communicate with Commission counsel on matters of practice and procedure through their own counsel or designated official.

Communications between the parties should either be through counsel or through designated representatives. All pleadings, papers, and other documents filed in this proceeding shall be served on the opposing party. All motions, supporting memoranda, and the like shall also be served on opposing counsel.

E. General

These procedures are consistent with the orderly conduct of this docket. This Stipulated Procedural Order shall control the subsequent course of these proceedings, unless modified by the Parties in writing and approved by the Commission, or upon the Commission's own motion.

This Stipulated Procedural Order may be executed by the parties in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. The parties may execute this Stipulated Procedural Order by facsimile for initial submission to the Commission to be followed by the filing of originals of said facsimile pages.

DONE at Honolulu, Hawaii, this _____ day of _____, 2006.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By

Carlito P. Caliboso, Chairman

By

John E. Cole, Commissioner

APPROVED AS TO FORM:

By

Ji Sook Kim
Commission Counsel

EXHIBIT A

Stipulated Regulatory Schedule

HECO 2006 Outage Report	December 29, 2006
Technical Meeting between HECO and the Consumer Advocate	Morning of January 9, 2007
Consumer Advocate Information Requests ("IR") to HECO	February 1, 2007
HECO Responses to Consumer Advocate IRs	February 22, 2007
HELCO and MECO Outage Reports	March 30, 2007
Technical Meeting between HECO/HELCO/MECO and the Consumer Advocate	Week of April 16, 2007
Consumer Advocate IRs to HECO, HELCO and MECO	April 27, 2007
HECO, HELCO and MECO Responses to Consumer Advocate IRs	May 25, 2007
Consumer Advocate SIRs to HECO, HELCO and MECO	June 22, 2007
HECO, HELCO and MECO Responses to Consumer Advocate SIRs	July 13, 2007
HECO, HELCO and MECO Preliminary Statement of Position	August 3, 2007
Consumer Advocate Statement of Position	August 24, 2007
HECO, HELCO and MECO IRs to the Consumer Advocate	September 14, 2007
Consumer Advocate Responses to HECO, HELCO and MECO IRs	October 5, 2007
HECO, HELCO and MECO Final Statement of Position, if necessary*	

* If the HECO Companies disagrees with the Consumer Advocate's recommendations.

If there are substantial disagreements following the filing of the Statements of Positions, and the parties cannot resolve the differences by stipulation, the parties shall propose a hearing schedule (including the filing of simultaneous post-hearing briefs) for Commission approval.

If the HECO Companies determine that a Final Statement of Position is unnecessary, the HECO Companies and the Consumer Advocate will notify the Commission that the proceeding is ready for decision making.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Procedural Order No. _____ upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

WILLIAM A. BONNET
VICE PRESIDENT
HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED
P. O. Box 2750
Honolulu, HI 96840-0001

DEAN K. MATSUURA
DIRECTOR, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, Hawaii 96840-0001

CRAIG I. NAKANISHI, ESQ.
SHAH J. BENTO, ESQ.
RUSH MOORE LLP
737 Bishop Street, Suite 2400
Honolulu, Hawaii 96813

Karen Higashi

DATED: _____

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23155 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
Honolulu, HI 96809

WARREN H.W. LEE, P.E.
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P.O. Box 1027
Hilo, HI 96721-1027

EDWARD REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LIMITED
P.O. Box 398
Kahului, HI 96733-6898

WILLIAM A. BONNET
VICE PRESIDENT
HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LIMITED
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DEAN MATSUURA
DIRECTOR
REGULATORY AFFAIRS
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Honolulu, HI 96840-0001

(Certificate of Service - Continued)

CRAIG I. NAKANISHI, ESQ.
SHAH J. BENTO, ESQ.
RUSH MOORE LLP
737 Bishop Street, Suite 2400
Honolulu, HI 96813

Attorneys for HECO, HELCO, and MECO



Karen Higashi

DATED: DEC 21 2006